

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 25

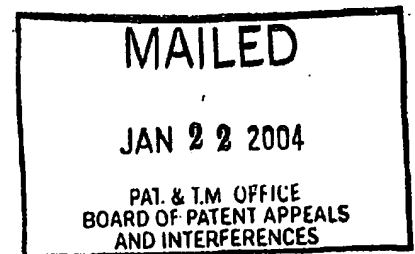
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte HARRY SERETTI and CARL SCHAUKOWITCH

Appeal No. 2002-1475
Application No. 09/370,935

ON BRIEF



Before FLEMING, DIXON, and LEVY, Administrative Patent Judges.
LEVY, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the examiner's final rejection¹ of claims 1, 2, 4-8, 10, 12, 13, and 17-30, which are all of the claims pending in this application.

¹ The rejection of claim 30 under 35 U.S.C. § 112, second paragraph has been withdrawn by the examiner in view of appellants' arguments presented in the brief (answer, pages 2 and 7).

BACKGROUND

Appellants' invention relates to a vehicular data exchange system and method. An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced as follows:

1. A vehicular data exchange system adapted for use to exchange vehicular data relating to a vehicle, comprising:

a plurality of computer terminals, each of said computer terminals including an input device for inputting the vehicular data that includes vehicular characteristics data units and vehicular financial data units and a display device for visually displaying the vehicular data inputted into said plurality of computer terminals, each of said computer terminals operative to transmit to each other and receive from one another both the vehicular characteristics data units and the vehicular financial data units for display on respective display devices; and

a processor in communication with said plurality of computer terminals for controlling the vehicular data

wherein the vehicular characteristics data units are inputted at any time into any selected one of said computer terminals and are transmitted immediately thereafter to remaining ones of said computer terminals for display on respective ones of said display devices associated with said remaining ones of said computer terminals and

wherein the vehicular financial data units are inputted into at least a responding one of said remaining ones of said computer terminals in response to the vehicular characteristics data units displayed on said display device of said at least responding one of said remaining ones of said computer terminals and are transmitted to said selected one of said computer terminals for display on said display device associated with said selected one of the computer terminals.

The prior art references of record relied upon by the examiner in rejecting the appealed claims are:

Giovannoli	5,758,328	May 26, 1998 (filed Feb. 22, 1996)
Berent et al. (Berent)	5,774,873	Jun. 30, 1998 (filed Mar. 29, 1996)

Claims 1, 2, 5-8, 10, 12, 13, and 17-30 stand rejected under 35 U.S.C. § 103 as being unpatentable over Giovannoli in view of Berent.

Rather than reiterate the conflicting viewpoints advanced by the examiner and appellants regarding the above-noted rejection, we make reference to the examiner's answer (Paper No. 22, mailed November 2, 2001) for the examiner's complete reasoning in support of the rejection, and to appellants' brief (Paper No. 21, filed August 21, 2001) and reply brief (Paper No. 23, filed December 26, 2001) for appellants' arguments thereagainst. Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered. See 37 CFR 1.192(a).

OPINION

In reaching our decision in this appeal, we have carefully considered the subject matter on appeal, the rejection advanced by the examiner, and the evidence of obviousness relied upon by the examiner as support for the rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejection and arguments in rebuttal set forth in the examiner's answer.

Upon consideration of the record before us, we affirm-in-part. We begin with independent claims 1, 12, 23, and 28. The examiner's position (final rejection, page 4) is that Giovannoli does not specifically disclose vehicular characteristic and financial data. To overcome this deficiency in Giovannoli, the examiner turns to Berent for this feature. The examiner asserts (id.) that "[i]t would have been obvious to one of ordinary skill in the art at the time of applicant's invention to combine the teachings of Giovannoli' computerized quotation and Berent et al. vehicular auction information system in order to sell or buy vehicle using direct quota system. One would have been motivated to minimize the time consuming task of maintaining and updating a central database as taught by Giovannoli."

Appellants assert (brief, pages 7 and 8) that the examiner has failed to establish a prima facie case of obviousness because the mere fact that the prior art may be modified in the manner suggested by the examiner does not make the modification obvious unless the prior art suggested the desirability of the combination. Appellants further assert (brief, pages 9-14) that the prior art fails to show the recited "ANY SELECTED COMPUTER." Appellants argue (brief, page 11) that both Berent and Giovannoli use a hub and spoke computer terminal system. It is argued (brief, page 12) that there is no teaching or suggestion in Giovannoli why the hub, the central system computer would transmit data to both the buyer computer terminals and the seller computer terminals. It is further argued (brief, page 13) that upon eliminating the hub as the "any selected one" of the computer terminals, the prior art systems would be rendered inoperable. Appellants further assert (brief, page 14) that "the applied art teaches automatic responses, not responses made after data is displayed on the responding computer terminal." It is further argued (brief, page 16) that the PTO relies upon hindsight to supply deficiencies in the prior art because in Giovannoli, the quotation system interrogates the vendor's's product database to retrieve pricing and other information

necessary to respond to the request for quotation, and that the automatic response in Giovannoli is not a response to vehicular data characteristics displayed on the display device of the at least one responding computer. Appellants additionally assert (brief, page 18) that if the teachings of the references were combined, the intended function of the references would be destroyed. It is argued (brief, page 22) that both Giovannoli and Berent teach automatic response, and that in order to arrive at the claimed invention, the functionality of the applied art (i.e., automatic response) would be destroyed. It is additionally argued (id.) that "[t]here is no teaching or suggestion in the applied art that the data sent by the sending computer terminal is first displayed on the display device of the responding computer terminal before the responding computer terminal responds."

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467

(1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole. See id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

From our review of Giovannoli, we find (col. 1, lines 5-9) that Giovannoli relates to a computer based communications network of buyer and vendor members for processing requests for goods and/or services from network members and for linking buyers to sellers. Giovannoli discloses that the prior art employed a central database for goods and services offered to buyers. Information about the goods and services is stored centrally and must be kept current centrally. The volume of information to be maintained and updated in a central database restricts it to a limited type or number of goods and services or number of vendors it can offer. It is not feasible for such systems to provide access to all standard goods and services and all suppliers world wide. For this reason, existing database systems are created and maintained by one or a few vendors whose goods and services are displayed. This necessarily restricts the buyer's choice of vendors (col. 1, lines 42-50). Giovannoli further discloses (col. 2, lines 15-19) that "[t]hese systems have no capacity to offer an unlimited number of goods and services from any number of vendors who wish to become members of the system. This would require an unrealistically large central database containing information about products, services and vendors." The invention of Giovannoli creates the opportunity for buyers to relate to

vendors without a rigid structure operating through a centralized computer database as required by existing methods (col. 2, lines 28-31). In Giovannoli's invention, requests for goods and/or services are broadcast to network members over the Internet. No centralized database of goods, prices, etc. is involved. Instead, requests for quotation (RFQs) are transmitted based upon filter conditions set by the buyer and/or seller, and/or network operator. The filter compatible seller's responses are either directly communicated to the buyer or to the computerized system which transmits the received quote to the requesting buyer (col. 2, line 35 through col. 3, line 4). Thus, there is no central pricing database to limit the number of buyers and vendors of goods and services or to limit the number of goods and services which can be processed (col. 3, lines 60-62). By joining the network, all vendors are potential class members no matter where in the world they are located (col. 7, lines 14-16). It is additionally disclosed by Giovannoli (col. 8, lines 6-9) that the network is a routing service with the routing being controlled by class description filters which can be specified by the buyer, the network computer and the vendors.

Turning to Berent, we find that Berent relates to commercial motor vehicle auctions, of vehicles which have been assembled at

one or more remote locations by a motor vehicle auction company. The process allows on-line participation and provides participants with access to auction related data (col. 1, lines 6-13). In the prior art, prior to the auction, laser discs storing information about the specific vehicles to be auctioned are physically delivered to the dealer terminal locations. In response to host computer commands, the dealer terminals are prompted to retrieve the data about the vehicle being auctioned. Then the bidding begins (col. 1, lines 43-50). The system allows the dealer or other remote user to sign on to a host network from the user's PC, through a remote access server. An SQL server attached to the host computer contains a relational database of auction data and responds to information queries initiated by the user (col.2, lines 3-9). Berent further discloses (col. 3, line 66 through col. 4, line 4) that "[t]he electronic motor vehicle auction and auction information system of this invention provides interactive on-line services to remote users who may enter queries about vehicle sale information, sale schedules, auction pricing, and vehicle stock availability, and who may 'bid' for vehicles electronically against other users." Users access the system through a PC 2, via modem 3, to remote access servers, through an X.25 protocol (col. 4, lines 10-31). A local

hub/router 8 separates the remote access server 7 from the SQL server 9 and LAN server 11, PC 12, and LAN workstations 13 (col. 4, lines 58-62). The relational database containing the various categories of motor vehicle auction details resident on SQL server 9. The SQL allows the user applications to access the relational databases resident on server 9 (col. 5, lines 15-17).

To begin using the system, the user enters the password assigned by the system administrator. The main menu screen includes six command buttons. If the user selects the sale calendar, the user can view and print sale dates and locations. The inventory to be sold at each auction is also available, including a brief description of each vehicle and vehicle equipment (col. 5, line 39 through col. 6, line 4). A second command button is the Manufacturer Sale. After selecting a manufacturer, a listing of the auction locations and the sale dates will be displayed (col. 6, lines 15-26). A third command relates to Heavy Duty/Truck Sale (col. 6, lines 33 and 34). A fourth command is Sale by Location. This allows the user to obtain sale information pertaining to a particular auction location selected by the user (col. 6, lines 43-47). If a user wants to search for specific vehicles, he chooses the Stock Locator. The Market Reports application provides the user with

recent vehicle sales prices for a specific auction or geographic region. If more detail about a vehicle is needed, the Equipment Detail routine (figure 4c) is used (col. 8, lines 24-26 and 40-42). The Electronic Auction enables the user to preview sale inventory associated with a specific auction, etc. After the user selects a sale date, from the Electronic Sale Schedule menu, the "sale catalog" associated with the sale will be displayed (col. 8, lines 54-66). Prior to the actual sale date, the user receives, either by download or by diskette, the sale information and the PIN number previously assigned. Upon importing this information into the PC, the user can review the sale inventory prior to bidding. The registration screen will prompt the user to load the sale disk (col. 9, lines 12-19).

To begin the bidding process, the user clicks on the Activate Bidding Command at the Electronic Auction menu, and enters the PIN number. The bid screen will appear when the auction begins.

From the disclosure of Giovannoli, we find that Giovannoli teaches away from having a central database because of the problems associated therewith, in favor of a routing service controlled by class description filters. Because Berent utilizes databases residing on an SLQ server, we find that an artisan

would not have been motivated to replace the filtering system of Giovannoli with databases on a server. In addition, we find no teaching or suggestion to have replaced the class description filter system of Giovannoli with an auction system, as to do so would render the system of Giovannoli inoperative for its intended purpose of providing quotations for providing goods and services between vendors to buyers. However, from the disclosure in Berent of providing Manufacturer Sale information regarding motor vehicles, we find that an artisan would have been motivated to provide quotes for motor vehicles as goods and services quoted through the system of Giovannoli. To the extent that the systems of Giovannoli and Berent are combinable (i.e., motor vehicles as the goods and services provided by vendors), we find that the teachings of the prior art would not have suggested to an artisan the invention set forth in independent claims 1, 12, 23, and 28 because Giovannoli discloses, (col. 5, lines 43-49) that "the quotation system would interrogate the vendor's product database (using suitable software which links or cross references the vendor's inventory to the quotation system product and services lists) and retrieve pricing and other information necessary to respond to the RFO; and thereafter prepare e-mail to be sent to the requesting buyer member." Because in Giovannoli the

quotation system interrogates the vendor's product database, Giovannoli does not teach or suggest that the financial data are inputted into at least a responding one of the remaining computers in response to the vehicle characteristic data displayed on the display device of the responding one of the display terminals, as also recited in independent claims 23 and 28, in the same or greater detail as claim 1.

With respect to independent claim 12, the limitation "inputting the vehicular financial data units into at least one of the data responsive computer terminals for display on its display device in response to the vehicular characteristics data received by the data responsive computer terminals," is not met by Giovannoli and Berent because in the prior art, the financial data is not inputted into the computer terminal for display in response to the vehicular characteristics data being received by the data responsive computer terminal, as the data is obtained by the quotation system in the buyer's computer interrogating the vendor's product database to retrieve pricing information. From all of the above, we find that the examiner has failed establish a prima facie case of obviousness of claims 1, 2, 5-8, 10, 12, 13 and 17-28. Accordingly, the rejection of claims 1, 2, 5-8, 10, 12, 13 and 17-28 under 35 U.S.C. § 103(a) is reversed.

We turn next to independent claim 30. Appellants argue (brief, pages 15 and 16) that none of the limitations of claim 30 are met by the prior art, because there is no teaching or suggestion that the data can be exchanged within a time period during which the customer remains on the premises of the seller. Appellants additionally argue (reply brief, page 10) that:

none of the applied art teaches or suggests a vehicular data exchange system that is used to exchange vehicular data relating to a trade-in vehicle of a prospective customer as recited in claim 30. Further, none of the applied art teaches or suggests exchanging vehicular data among a plurality of vehicle dealership users as recited in claim 30. Furthermore, none of the applied art teaches or suggests that vehicular data exchanged among the vehicle dealership users is exchanged within a time period during which the prospective customer remains at the dealership as recited in claim 30.

From our review of Giovannoli, we find that although Giovannoli discloses (col. 5, lines 40 and 41) that the vendor's software permits them to schedule when they wish to communicate with the quotation system, we find no specific details in Giovannoli as to how the scheduling would be carried out. However, because motor vehicle purchasers can spend several hours at a car dealership selecting a car and negotiating over the car's price, as well as the price to be received for their trade-in vehicle, we find that in at least some instances, the vehicular data will be exchanged while the prospective customer

is at the automotive dealer's showroom. We are not persuaded by appellants' assertion that the prior art neither teaches nor suggests a vehicular data exchange system that is used to exchange vehicular data relating to a trade-in vehicle of a prospective customer. As stated by the court In re Hiniker Co., 150 F.3d 1362, 1369, 47 USPQ2d 1523, 1529 (Fed. Cir. 1998) "[the name of the game is the claim, etc." Claim 30 recites that "[a] vehicular data exchange system adapted for use to exchange vehicular data relating to a trade-in vehicle of a prospective customer among a plurality of vehicle dealership users." We find that the language in question is in the form of functional language drafted as an "adapted to" clause. There is nothing inherently wrong with functional language, and we construe the language to be a broad recitation of structure. In order to meet the language, it is not necessary that the prior art specifically disclose that the prior art is adapted to carry out the recited function. Rather, what is required is that the prior art be capable of carrying out the recited function, i.e., is adapted to carry out the recited function. Turning to Giovannoli, we find that Giovannoli's disclosure of filtering quotation data, by sending the filtered information over the internet to vendors who will directly respond to the buyer, suggests that the system of Giovannoli is capable of exchanging vehicular data relating to

the trade-in of vehicles, because the dealer would put out a quote for the value of the vehicle and receive a response from at least one vendor. . Because the dealer could put out a request for quotation and a vendor will provide a response, we find that Giovannoli suggests exchanging vehicular data among a plurality of vehicle dealership users. From all of the above, we affirm the rejection of claim 30 under 35 U.S.C. § 103(a).

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CARL SCHAUKOWITCH
11700 BISHOP'S CONTENT ROAD
MITCHELLVILLE, MD 20721

ROUTING FOR DECISIONS OF BOARD OF APPEAL

	Initials	Date
QAS	<u>MS</u>	<u>04/07/04</u>
Director	<u>[Signature]</u>	<u>4-7-04</u>
SPE	<u>ES</u>	<u>5/27/04</u>
Examiner	_____	_____
Disposal Recorded by LIE	_____	_____

Date of Decision	Serial Number	Examiner	Art Unit	Affirmed	Reversed
<u>1/22/04</u>	<u>09/370,935</u>	<u>Retta</u>	<u>3622</u>	<input type="checkbox"/> 101 <input type="checkbox"/> 102 <input checked="" type="checkbox"/> 103 <input type="checkbox"/> 112 <input type="checkbox"/> other	<input type="checkbox"/> 101 <input type="checkbox"/> 102 <input checked="" type="checkbox"/> 103 <input type="checkbox"/> 112 <input type="checkbox"/> other

****DUE DATE: May 07, 2004

Comments:

Affirmed: cl. 30 under 35 USC § 103 (a)

Reversed: cl. 12, 15-17, 12, 13 & 17-29